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REMARKS

Claims 1-34 are pending in the present application.

Claims 1, 8, 10-11, 14, 22-23, 25, and 30-32 have been amended hereby. It is respectfully submitted that no new matter has been presented and no new issues have been raised by the present response.

Applicants acknowledge the indication in the Office Action that claims 10-11 would be allowable if rewritten to overcome the rejections under 35 U.S.C. § 112, second paragraph, and to include all limitations of the base claim and any intervening claims. Claims 10-11 have been amended in response to the remarks of the Office Action in connection with 35 U.S.C. § 112, second paragraph. Applicants respectfully submit, however, that independent claim 1 is patentable for at least the reasons set forth below, and that accordingly further amendment of claims 10-11 to include all limitations of the base claim and any intervening claims is not necessary.

Claims 8, 10-11, 22, and 30 were rejected under 35 U.S.C. § 112, second paragraph, as allegedly failing to set forth the subject matter which Applicants regard as their invention. Claims 1-9 and 12-34 were rejected under 35 U.S.C. § 102(e) as allegedly being anticipated by, U.S. Patent Application Publication No. 2002/0128960 to Lambiotte et al. (hereinafter

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"Lambiotte"). Applicants respectfully submit that claims 1-34 are patentable over the cited reference for at least the following reasons.

Rejections Under 35 U.S.C. § 112, Second Paragraph

Claims 8, 22, and 30 have been amended to include an expansion of the acronym "CHAID" to "Chi-square Automatic Interaction Detection," as required by the Office Action (see Office Action, p. 2, lns. 16-21; specification, p. 12, lns. 18-20). Claims 23 and 31 have also been amended for the same reason.

Claims 10-11 have been amended to include an expansion of the acronym "BAU" to "Business As Usual," as required by the Office Action (see Office Action, p. 2, ln. 22 to p. 3, ln. 4; specification, p. 9, lns. 20-23).

Withdrawal of the rejections under 35 U.S.C. § 112, second paragraph is respectfully requested.

Rejections Under 35 U.S.C. § 102

Lambiotte, as understood by Applicants, relates to a system and method for determining whether to contact a party associated with an account. The system places a value on an account, estimates a cost in contacting the account holder or customer, and attempts contact if the account value exceeds

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the estimated cost. The account value is an amount the customer likely would pay if he were contacted or agreed to make a purchase, based on the customer's financial situation and credit history, and the cost in contacting a customer is determined from a probability of contacting the customer. The probability is based largely on the customer's demographic information, including the mobility of the population in his demographic area and the number of people having telephone service in that area.

It is respectfully submitted, however, that Lambiotte does not teach or suggest every element recited in the claims of the present application, including at least:

- "applying the data of the first skip account to a predictive model, the predictive model being associated with an account tracing entity and operable to generate an output indicative of an expected recovery amount from the first skip account," as recited in independent claim 1;
- "applying the data of the first skip account to the predictive models to generate a plurality of outputs, each output being associated with a

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corresponding account tracing entity and being indicative of an expected recovery amount by using a corresponding account tracing entity to locate the first skip account," as recited in independent claim 14;

- "a predictive model stored in the memory and associated with an account tracing entity, the predictive model being operable to process data of a first skip account to generate an output indicative of an expected recovery amount from the first skip account," as recited independent claim 25; and
- "applying the data of the first skip account to a predictive model, the predictive model being associated with an account tracing entity and operable to generate an output indicative of an expected recovery amount from the first skip account," as recited in independent claim 32.

The Office Action cites paragraphs 0020-0021 of Lambiotte as allegedly disclosing the use of a predictive model, whereby the "platform may analyze each customer's credit information

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... and may determine a potential value for each customer's account" (see Office Action, p. 3, lns. 22-26). The Office Action states that the "platform may compare the potential value and predicted cost to determine a potential profitability level, including a determination of whether and how often to contact each customer for debt collection" (see id., p. 4, lns. 1-4).

It is respectfully submitted, however, that there is no disclosure or suggestion in Lambiotte of a predictive model being associated with an account tracing entity and operable to generate an output indicative of an expected recovery amount from the first skip account, for instance as recited in independent claim 1.

The platform of Lambiotte may analyze customer credit history information accessed through a commercially available source (see Lambiotte, ¶¶ 0020-0021). The commercially available source may include a FICO model or a financial clearinghouse such as a major credit bureau (see id.). The platform may also consider information received at a time of purchase, such as an age of the debt and an account balance, and information received from a demographic vendor (see id.). The potential value and predicted cost are compared to determine a potential profitability level, including a determination of whether and how often to contact each

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customer for debt collection or to make a sale (see id.). The results of the analyzed data are output to output module for printing or display, to other system devices, or to a dialer which attempts to contact the customer (see id.).

Lambiotte further discloses the creation of a first formula for determining a customer's likelihood of making a payment, where the first formula is created from historical account data using a multivariate logistic regression model (see id., ¶ 0027-0029). The historical account data may include information from the financial clearinghouse and information regarding accounts for all customers including information on customers that have made previous payments and the amount of those payments (see id.).

In contrast, in the system and method of the present application, skip account data are applied to a predictive model associated with an account tracing entity and operable to generate an output indicative of an expected recovery amount from the first skip account. As stated in the specification of the present application:

The tracers database 102 stores information related to the past success or failure of locating skip accounts for various account tracing entities (also known as "tools") which are generally database vendors, private investigators or CM (continuous monitoring) tools.

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See specification, p. 4, lns. 15-19. The specification of the present application further states:

The generated output is indicative of an expected recovery amount from the skip account from using a particular tracing entity to locate the account. In a preferred embodiment, a predictive model is developed for each tracing entity and the outputs of all predictive models are compared against each other to determine an optimal course of action ...

See id., p. 5, lns. 9-16 (emphasis added).

As understood by Applicants, there is no disclosure or suggestion that the account value determination of Lambiotte includes the use of predictive models associated with an account tracing entity, as recited in the independent claims of the present application.

Accordingly, Applicants respectfully submit that independent claims 1, 14, 25, and 32 are patentable over the cited reference. Claims 2-9 and 12-13 depend from independent claim 1, claims 15-24 depend from independent claim 14, claims 26-31 depend from independent claim 25, and claims 33-34 depend from independent claim 32, and therefore are believed to also be patentable over the cited reference at least by virtue of their dependence from patentable base claims.

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Withdrawal of the rejections under 35 U.S.C. § 102 is respectfully requested.

This communication is believed to be fully responsive to the Office Action and the claims are believed to be patentable over the cited references.


If a telephone conference would be of assistance in advancing prosecution of the present application, the Examiner is respectfully invited to contact the undersigned at the telephone number provided below.

If any fee is due in connection with the present response, the Commissioner for Patents is hereby authorized to charge the requisite fee to our deposit account number 02-0393.

Prompt and favorable reconsideration is earnestly solicited.

Respectfully submitted,

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